

HOUSE BILL 1023

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B2

2001 Regular Session
11r2103
CF 11r2939

By: **Delegates Guns, Rudolph, W. Baker, and Walkup**

Introduced and read first time: February 9, 2001

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2001

CHAPTER_____

1 AN ACT concerning

2 **Creation of a State Debt - Cecil County - The Hollingsworth House**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$701,000~~
4 \$400,000, the proceeds to be used as a grant to the Board of Directors of The
5 Historic Elk Landing Foundation, Inc. for certain development or improvement
6 purposes; requiring the grantee to grant and convey a certain easement to the
7 Maryland Historical Trust; providing for disbursement of the loan proceeds,
8 subject to a requirement that the grantee provide and expend a matching fund;
9 and providing generally for the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Cecil County
14 - The Hollingsworth House Loan of 2001 in a total principal amount equal to the
15 lesser of (i) ~~\$701,000~~ \$400,000 or (ii) the amount of the matching fund provided in
16 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
17 and delivery of State general obligation bonds authorized by a resolution of the Board
18 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
19 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

20 (2) The bonds to evidence this loan or installments of this loan may be sold as
21 a single issue or may be consolidated and sold as part of a single issue of bonds under
22 § 8-122 of the State Finance and Procurement Article.

23 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
24 and first shall be applied to the payment of the expenses of issuing, selling, and
25 delivering the bonds, unless funds for this purpose are otherwise provided, and then

1 shall be credited on the books of the Comptroller and expended, on approval by the
2 Board of Public Works, for the following public purposes, including any applicable
3 architects' and engineers' fees: as a grant to the Board of Directors of The Historic Elk
4 Landing Foundation, Inc. (referred to hereafter in this Act as "the grantee") for the
5 planning, design, repair, renovation, reconstruction, and capital equipping of The
6 Hollingsworth House at Elk Landing, located in Elkton, Maryland.

7 (4) An annual State tax is imposed on all assessable property in the State in
8 rate and amount sufficient to pay the principal of and interest on the bonds, as and
9 when due and until paid in full. The principal shall be discharged within 15 years
10 after the date of issuance of the bonds.

11 (5) Prior to the payment of any funds under the provisions of this Act for the
12 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
13 matching fund. No part of the grantee's matching fund may be provided, either
14 directly or indirectly, from funds of the State, whether appropriated or
15 unappropriated. No part of the fund may consist of real property. The fund may
16 consist of in kind contributions or funds expended prior to the effective date of this
17 Act. In case of any dispute as to the amount of the matching fund or what money or
18 assets may qualify as matching funds, the Board of Public Works shall determine the
19 matter and the Board's decision is final. The grantee has until June 1, 2003, to
20 present evidence satisfactory to the Board of Public Works that a matching fund will
21 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
22 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
23 equal to the amount of the matching fund shall be expended for the purposes provided
24 in this Act. Any amount of the loan in excess of the amount of the matching fund
25 certified by the Board of Public Works shall be canceled and be of no further effect.

26 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
27 to the Maryland Historical Trust a perpetual preservation easement to the extent of
28 its interest:

29 (i) On the land or such portion of the land acceptable to the Trust;
30 and

31 (ii) On the exterior and interior, where appropriate, of the historic
32 structures.

33 (b) If the grantee or beneficiary of the grant holds a lease on the land
34 and structures, the Trust may accept an easement on the leasehold interest.

35 (c) The easement must be in form and substance acceptable to the Trust
36 and any liens or encumbrances against the land or the structures must be acceptable
37 to the Trust.

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
39 June 1, 2001.

